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UNCLAS SECTION 01 OF 02 OTTAWA 001989

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E.O. 12958: N/A

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SUBJECT: HEALTH MINISTER ANNOUNCES STRATEGY ON CROSS-BORDER DRUG TRADE

REF: OTTAWA 0525 (CANADA SEEKS REGULATORY PRESCRIPTION FOR INTERNET PHARMACIES)

¶1. (U) Summary: Health Minister Dosanjh announced that the GOC will take three steps to address the cross-border drug trade: 1) create a drug supply monitoring network, including input from both public and private stakeholders, to determine whether there are drug shortages or threats to the Canadian drug supply; 2) seek legal authority to ban bulk exports in the event of a drug shortage or "when it is necessary to protect the health of Canadians;" and 3) require an established doctor-patient relationship for prescriptions. Pharmaceutical industry associations are hailing this as a good first step, while internet pharmacies are already up in arms at the new attack on what Dosanjh deems the "unethical conduct" of doctors' cosigning prescriptions. Dosanjh says that it was never his intention to kill the internet pharmacy industry and that he is sure that the industry "will adapt." End summary.

Drug Supply Monitoring Network: More than anecdotal evidence

¶2. (SBU) Following months of hints and speculation, Health Minister Dosanjh received Cabinet go-ahead to announce three new initiatives to stem the flow of prescription drugs from Canada to the United States. The first initiative is the establishment of a drug supply monitoring network, to be housed in Health Canada, which will work with the provinces, territories and other stakeholders to provide Health Canada with more comprehensive drug supply data. This initiative should not require any legislative changes, and thus will be the easiest for Health Canada to implement. (Note: An industry contact suggests that Health Canada may encounter resistance to monitoring at anything beyond a wholesale level because of the commercial confidentiality involved.) In declaring a threat to Canada's drug supply from cross-border trade, Health Canada has frequently run into the difficulty that there is limited empirical evidence of any drug shortages. The formation of a drug supply monitoring network will give Minister Dosanjh evidence beyond anecdotal accounts from pharmacist associations and patients groups to support his contention that the cross-border drug trade poses a threat to Canada's drug supply.

Bulk Export Bans "if and when necessary"

¶3. (SBU) Second, the GOC also intends to introduce legislation to amend the Food and Drug Act to allow Health Canada to ban bulk exports in the event of anticipated or actual drug shortages (note: GOC is reacting to possible U.S. legislation allowing bulk imports of drugs from Canada). Despite questioning, Minister Dosanjh did not make it clear whether the GOC intends to impose bans as soon as legislation is passed or act only when there is a threat of shortage of "prescription or other needed" medication. A pharmaceutical company representative called this portion of the announcement "ambiguous", and Minister Dosanjh further muddied the waters by at first saying that the GOC would "possibly introduce legislation" and then, under questioning, saying that the GOC will definitely introduce legislation. (Note: Local stakeholders inform us that the insistence on modifying language rather than an outright ban may have come from resistance at the cabinet level, possibly prompted by the fact that an outright ban could block legitimate domestic drugs produced for export to foreign markets.)

Unethical Conduct: Thou shalt not...kill the internet pharmacy industry?

¶4. (U) Finally, in keeping with his previous insistence that prescription cosigning is "unethical" (ref Ottawa 0525), Minister Dosanjh intends to propose measures to "strengthen existing federal regulations under the Food and Drugs Act...to require an established patient-practitioner relationship." This initiative prompted the most intense questioning at the press conference, including repeated questions as to whether the requirement of an established patient-practitioner relationship would "kill the (internet pharmacy) industry." Minister Dosanjh stated that he "...never intended to kill the industry" and said that he was "sure the industry would adapt." When pressed to clarify

what is meant by an established patient-practitioner relationship, Dosanjh answered "A doctor-patient relationship means a doctor-patient relationship" and explained that he expected foot traffic by Americans traveling to buy drugs in Canada to continue and that he would work to ensure that Canadian snow-birds would still have access to drugs from Canada. Representatives of the internet pharmacy industry say that actions against cosigning would have a major impact on their industry.

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